

**To the: Bucharest Stock Exchange – Department of Operations Issuers Regulated Markets  
Financial Supervision Authority - General Directorate Supervision - Issuers Division**

Date of report: **30 March 2018**

Name of Issuer Entity: **CNTEE TRANSELECTRICA SA, company managed in two-tier system**

Headquarters: Bucharest 1, Boulevard Gheorghe Magheru 33

Working location: Bucharest 3, Str. Olteni 2-4

Phone / fax numbers: 021 30 35 611/021 30 35 610

Single (fiscal) registration code: 13328043

LEI Code: 254900OLXCOUQC90M036

Number in the Trade Register: J40/8060/2000

Share capital subscribed and paid: 733,031,420 Lei

Regulated market where the issued securities are transacted: Bucharest Stock Exchange

**Event to report: communiqué about the annual financial statements of 2017**

The National Power Grid Company Transelectrica SA informs the interested public about the annual financial statements of 2017. **The 31 December 2017 financial statements of the National Power Grid Company Transelectrica SA register a 47.9 million Lei accounting loss. Such negative financial result comes from a complex difficult year, which the revenues diminishing contributed to by tariff reductions as of 1 July 2017. A major impact was provided by the registration of additional payment liabilities amounting to 99 million Lei in the 2017 financial statements, resulting from a taxation decision of ANAF issued on 30 June 2017 at the end of an audit over the previous time intervals.**

2017 passed under difficult circumstances, with both regulated tariffs reduction (the rate of system services was reduced 18.9%, while the transmission service tariffs dropped 9.8%) to counter some excess profits of previous years and with price rises on the energy market, impacting the Company costs by significant increase, which was also shown in the preliminary financial statements.

From December 2011 to June 2017 ANAF conducted fiscal audit in CNTEE Transelectrica SA, which targeted the December 2005 – December 2010 interval. Additional payable liabilities were established and withheld after such control concluded in 2017, namely profit tax and VAT, as well as interest rates / indexations and penalties regarding the technological system services invoiced by energy suppliers, considered non-deductible after the fiscal audit and certain unused invoices found as missing (they were destroyed in the 26-27 June 2009 fire from the offices of the Millennium Business Centre on str. Armand Calinescu 2-4, Bucharest 2, where Company operated then). The amount of the taxation decision 439 from ANAF issued on 30 June 2017 is of 99 million Lei.

Although these last years the fore-mentioned issues were known by the Company management, being also formalised at the last ANAF audit, **no economic-financial analysis was made in accordance with specific standards in view of constituting a provision in the past years.**

**The imprudent behaviour of the past with respect to managing this situation had consequently a great negative impact only in the 2017 financial results, determining total**

**accounting loss of 47.9 million Lei, which is mainly coming from the audit of previous periods concluded in 2017.**

Thus the significant differences between the final financial results and the preliminary ones submitted in February, which provided 26 million Lei profit, is explained as follows: out of the total amount of 99 million Lei payment liabilities set by ANAF, an impact on 2017 was registered only for 24 million Lei, as 2017 expense. The 75 million Lei difference was registered on account of a correction of the previous years' retained result. Thus the payable amount of 99 million Lei from the 2017 financial statements was re-treated and led to a different financial result.

Mention should be made such accounting loss, which will be covered by the constituted reserves, **does not impact the Company's operational and financial capability to achieve its investment and maintenance plans. Transelectrica has got sufficient resources to carry out its activity under normal conditions and will continue having a strategic role in the energy sector.**

The Company's managerial team has already initiated internal analysis to evaluate the causes of such circumstances, following which the required measures will be established, as well as associated preventive actions.

**Georgeta – Corina  
POPESCU**  
Chairperson

**Andreea Georgiana  
FLOREA**  
Member

**Dan - Valeriu  
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Member

**Florin - Cristian  
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Member